



CROSS-SERVICING IMPLEMENTATION GUIDE

**FINANCIAL MANAGEMENT SERVICE
DEBT MANAGEMENT SERVICES
DEBT SERVICES DIVISION
JANUARY 1999**

Introduction

Purpose:

The purpose of this document is to provide guidance to agencies on the Financial Management Service, Debt Management Service's (DMS) cross-servicing requirements. It will assist agencies in implementing the cross-servicing requirement that all debts over 180 days delinquent be transferred to the Department of the Treasury, in accordance with the requirements of the Debt Collection Improvement Act of 1996 (DCIA). It contains general information on the DCIA itself, how DMS collects agency debts, as well as what an agency needs to do to submit its debts for cross-servicing and the reporting that DMS provides to let the agency know the status of its referred accounts. The various forms and formats found throughout are also available upon request via Wordperfect, and Microsoft Word. The same form/format may be provided in more than one section of this guide; this is to minimize the need to "flip" back and forth between various sections and to ensure that each section is comprehensive.

This document will change and evolve as formats, requirements, and operations change over the course of time.

Questions/ Contacts:

Collection Policy Branch

Will provide agency services including the following:

- Agency Liaison
- General Information/ Collection Guidance
- Reports
- Negotiate Letters of Agreement

Branch Manager: Ellen Green (202) 874-9403

Email: ellen.green@fms.sprint.com

Agency Specialists:

- **Suzanne Thomas** (202)874-6243; Email: suzanne.thomas@fms.sprint.com
- **Steve Lopez** (202)874-6778; Email: steven.lopez@fms.sprint.com
- **Larry Phelps** (202)874-6548; Email: larry.phelps@fms.sprint.com

Introduction

Questions/ Contacts:

DMSC Systems Branch

- Manages the Debt Management Servicing Center (DMSC) System.
- Assists in the referral of debt electronically to DMSC.
- Responsible for DMSC financial transactions.

Branch Manager: Jeffrey Schramek (202) 874 -7025

Email: jeffrey.schramek@fms.sprint.com

Staff Accountant: JoJo Ferguson: (202) 874-7025

Email: jojo.ferguson@fms.sprint.com

OPAC Coordinator: Kenneth Kline (202) 874-7392

Email: kenneth.kline@fms.sprint.com

Private Collection Contract Branch

- Manages the Debt Collection Contract.
- Resolves PCA disputes.
- Responsible for PCA financial transactions.

Branch Manager: Mary Nelson (202) 874-6643

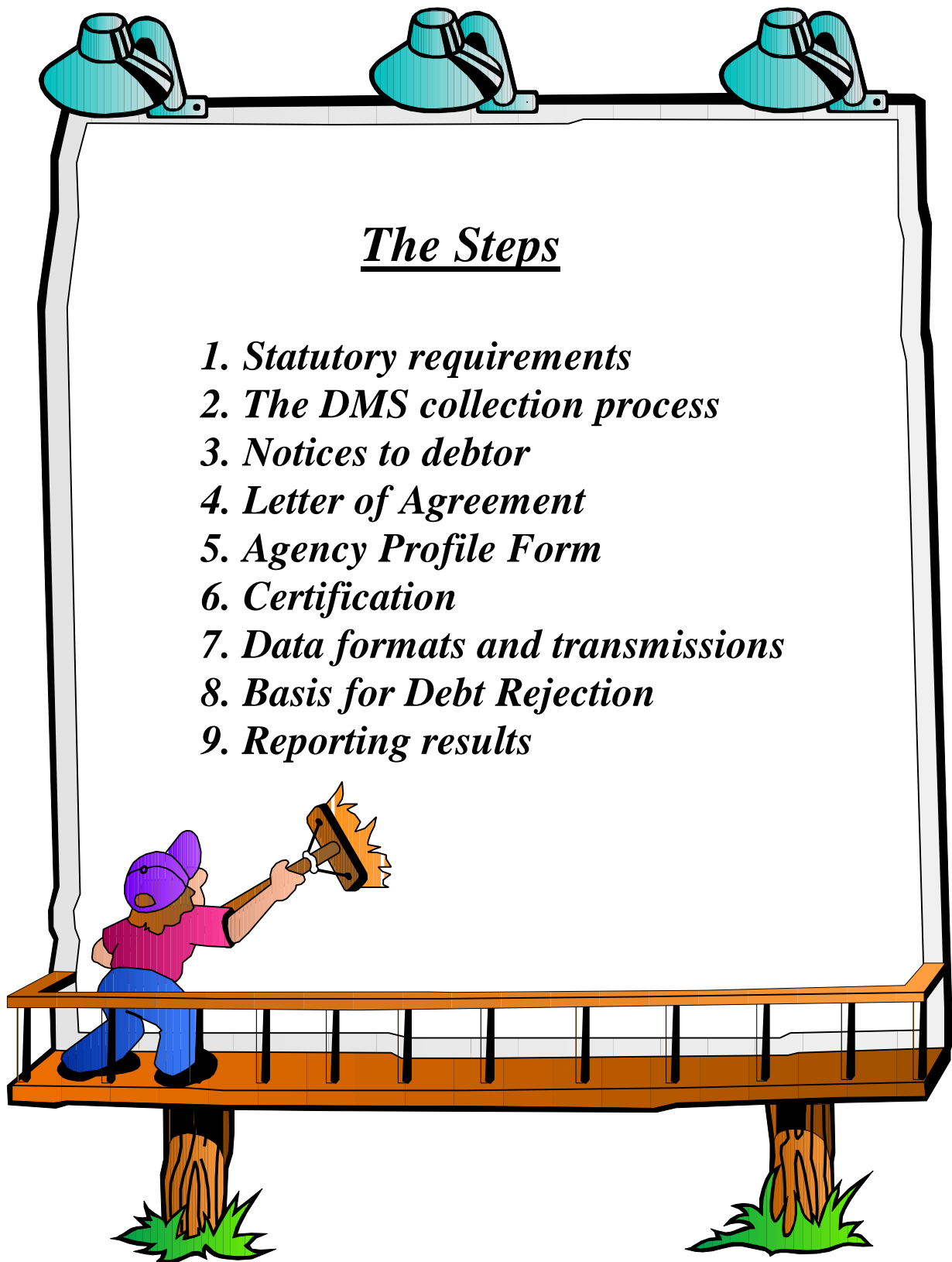
Email: mary.nelson-parent@fms.sprint.com

Staff Accountant: Quan Phan: (202) 874-6829; Email: quan.phan@fms.sprint.com

PCA Dispute Coordinator: Joann Williams: (202) 874-7195

Email: joann.williams@fms.sprint.com

General information can be located on the FMS/ DMS home page:
www.fms.treas.gov/debt/index.html.



- 1. Statutory requirements*
- 2. The DMS collection process*
- 3. Notices to debtor*
- 4. Letter of Agreement*
- 5. Agency Profile Form*
- 6. Certification*
- 7. Data formats and transmissions*
- 8. Basis for Debt Rejection*
- 9. Reporting results*



The Requirements for Cross-Servicing Under the Debt Collection Improvement Act of 1996

- The Debt Collection Improvement Act of 1996 was signed into law by the President on April 26, 1996. It became effective immediately.
- The DCIA requires agencies to transfer a debt or claim that has been delinquent 180 days or more to Treasury for collection, with the following exclusions:
 - ◆ The debt is in litigation or foreclosure, meaning that the debt has been referred to the Department of Justice, a complaint has been filed, or a notice of default has been issued.
 - ◆ The debt will be disposed of in an asset sales program within 1 year after becoming eligible for sale, or later than 1 year if consistent with an OMB/Treasury approved asset sales program.
 - ◆ The debt is at a private collection agency for a period of time established by Treasury.
 - ◆ The debt has been referred to a Federal debt collection center designated by Treasury. (Policies, procedures, and standards for becoming a debt collection center are available on the FMS Internet home page).
 - ◆ The debt will be collected by internal offset within 3 years of delinquency.

A specific class of debt may be exempted upon application to the Secretary of the Treasury. No such exemptions have been approved to date. Once a debt comes out of an excluded status, the debt will be transferred to Treasury within 30 days.

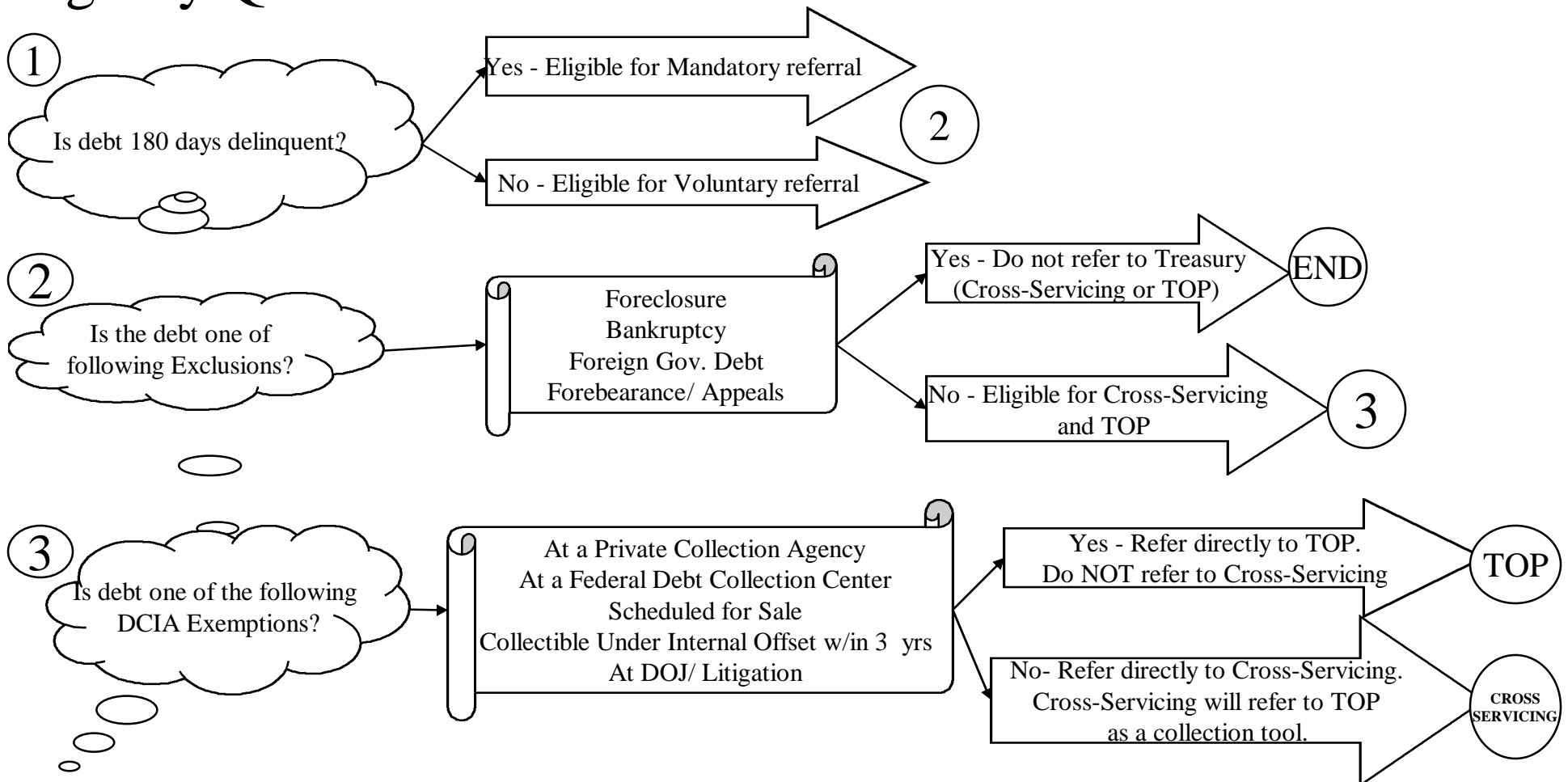
The Requirements for Cross-Servicing Under the Debt Collection Improvement Act of 1996

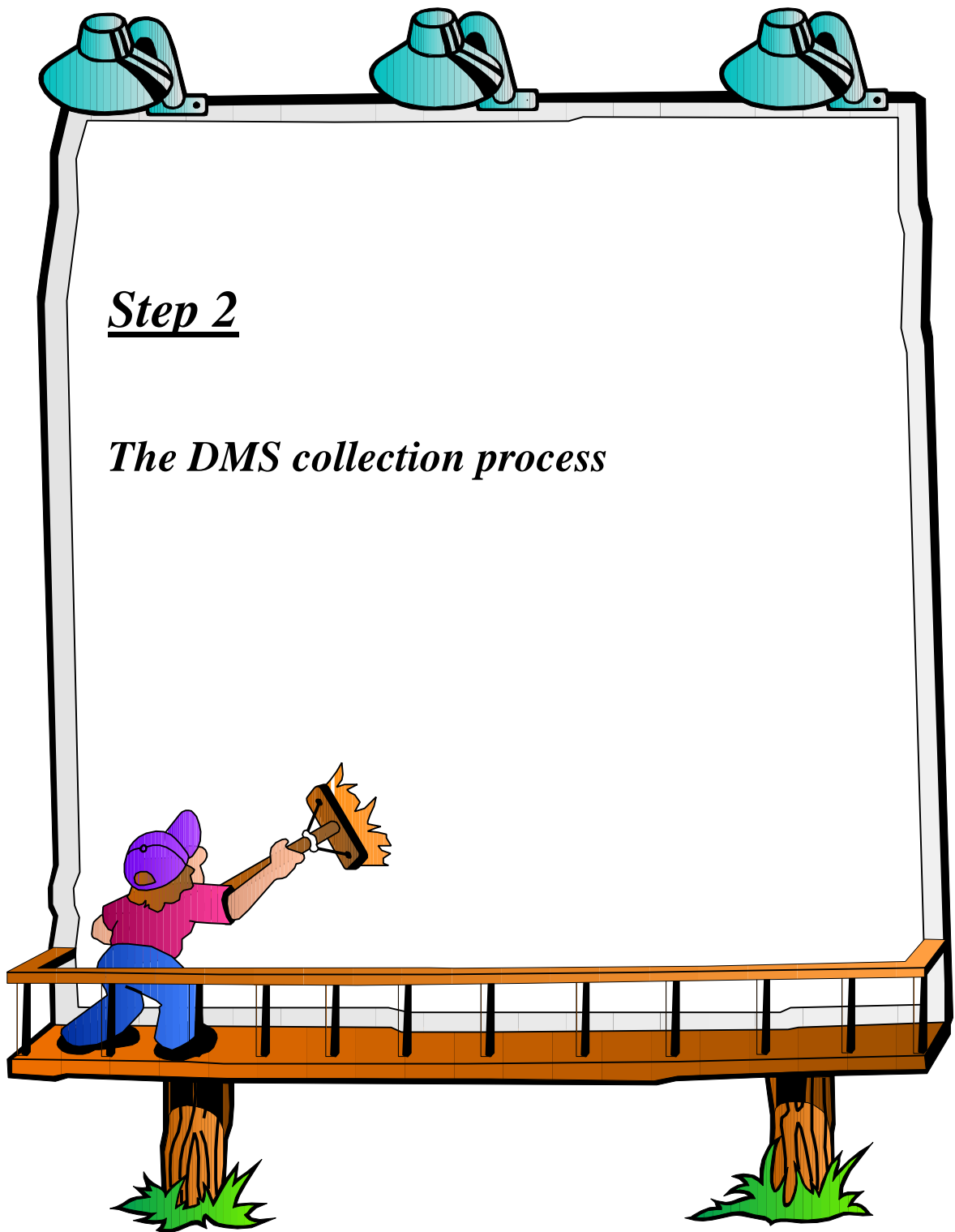
- Transfer has been defined to mean “mandatory” referral. It does not change the status of the debt as a receivable on the referring agency’s books.
- Referral of debt for the Treasury Offset Program does not satisfy the cross-servicing requirement. As the following graphic shows, they are two distinct requirements. As cross-servicer, DMS will put debts into offset as a collection tool; however, TOP does not refer debts for cross-servicing.
- DMS is not accepting debts:
 - ✖ that are in bankruptcy, since collection of such debts must be pursued through the courts;
 - ✖ of deceased debtors, since collection of these debts is doubtful at best. A proof of claim should be filed with the estate.
 - ✖ which are owed by Federal agencies or foreign governments, since the DCIA does not apply to these types of debts.
 - ✖ which are in an administrative appeals process until the process is completed and the amount set.

DMS is accepting debts owed by state and local governments.

What do I do with my delinquent debt?

Agency Questions





The DMS Collection Process

Collection Process:

DMS has established standard processes for accepting and collecting debts. These processes are consistent with government wide and Treasury requirements. The account referral process is detailed in steps 4 through 8 of this document.

The standard collection process is detailed below:

- ***demand letter.*** DMS will send out a standard demand letter, on Treasury letterhead within 5 days after acceptance of an account. The demand letter gives the debtor 10 days to respond.
- ***phone calls.*** DMS will begin making phone calls 10 days after the date of the demand letter, depending upon the amount of the debt.
- ***credit bureau reporting.*** This begins 60 days after a consumer debt is referred and 30 days after a commercial account. The reason for the delay is to ensure that a consumer debtor has the full 60 days from when the demand letter was mailed to make payment.
- ***offset.*** Twenty days after the date of the demand letter, the debt will be routed into the Treasury Offset Program. It will stay in the Treasury Offset Program for an indefinite period of time, with length of time determined by results.
- ***collection agencies.*** Thirty days after the date of the demand letter, the debt will be referred to a private collection agency (PCA). Treasury has a government wide contract in place and all referrals will be made to the Treasury contractors. The PCA's will be paid on their collections only. The PCA's are evaluated, and based on their performance may receive monetary bonus' or additional accounts.
- ***Department of Justice.*** DMS will recommend, and upon agency concurrence refer debts to the Department of Justice (DOJ). DMS will prepare the Claims Collection Litigation Report (CCLR) and monitor case progress while at DOJ.

Until a debt is referred to a private collection agency, DMS is actively pursuing collection, including purchasing credit reports, skiptracing, and negotiating compromise or repayment plans. Compromise and repayment plans will be negotiated within the parameters set by the agency in the Agency Profile Form (APF) (see step 5).

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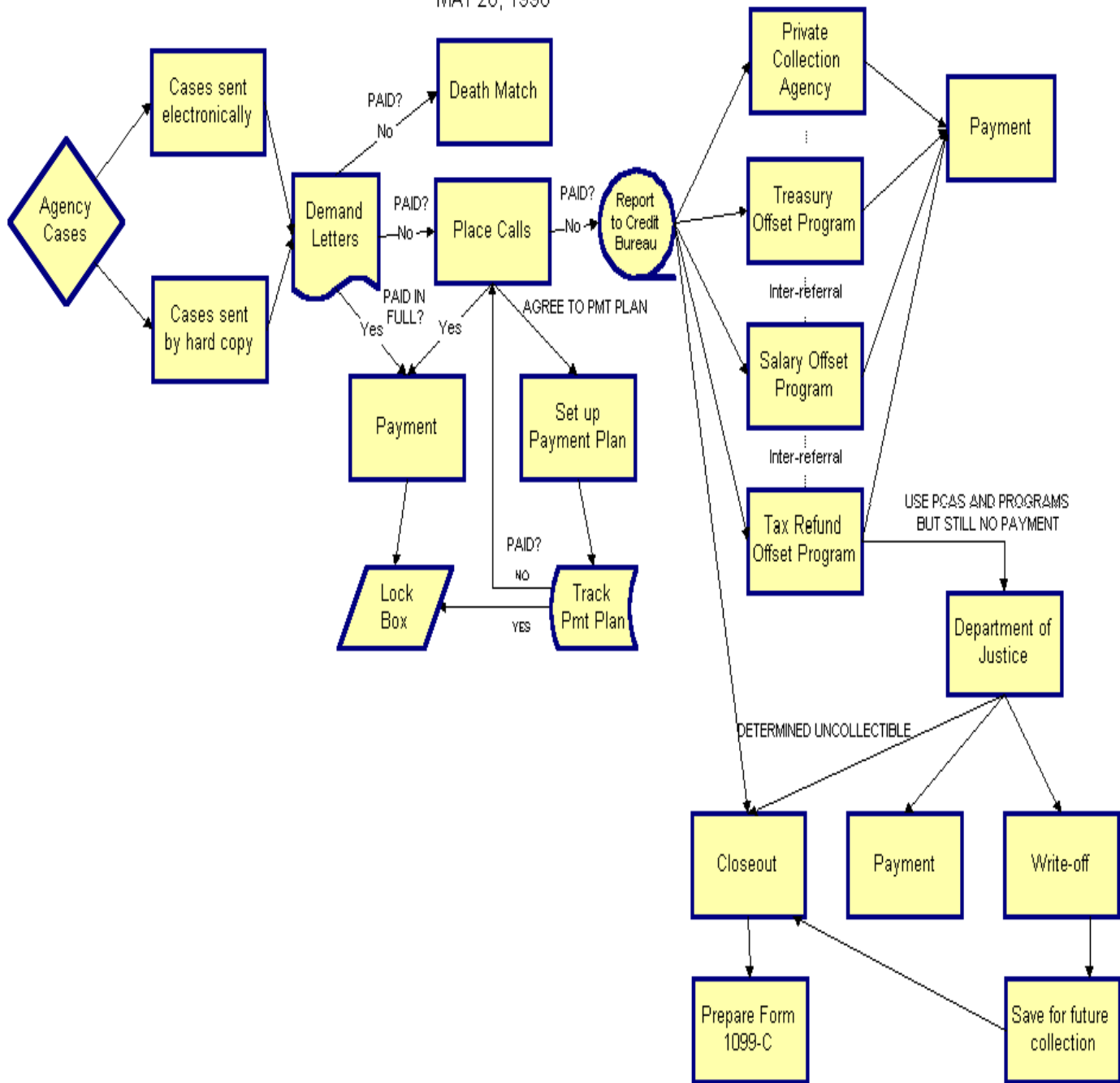
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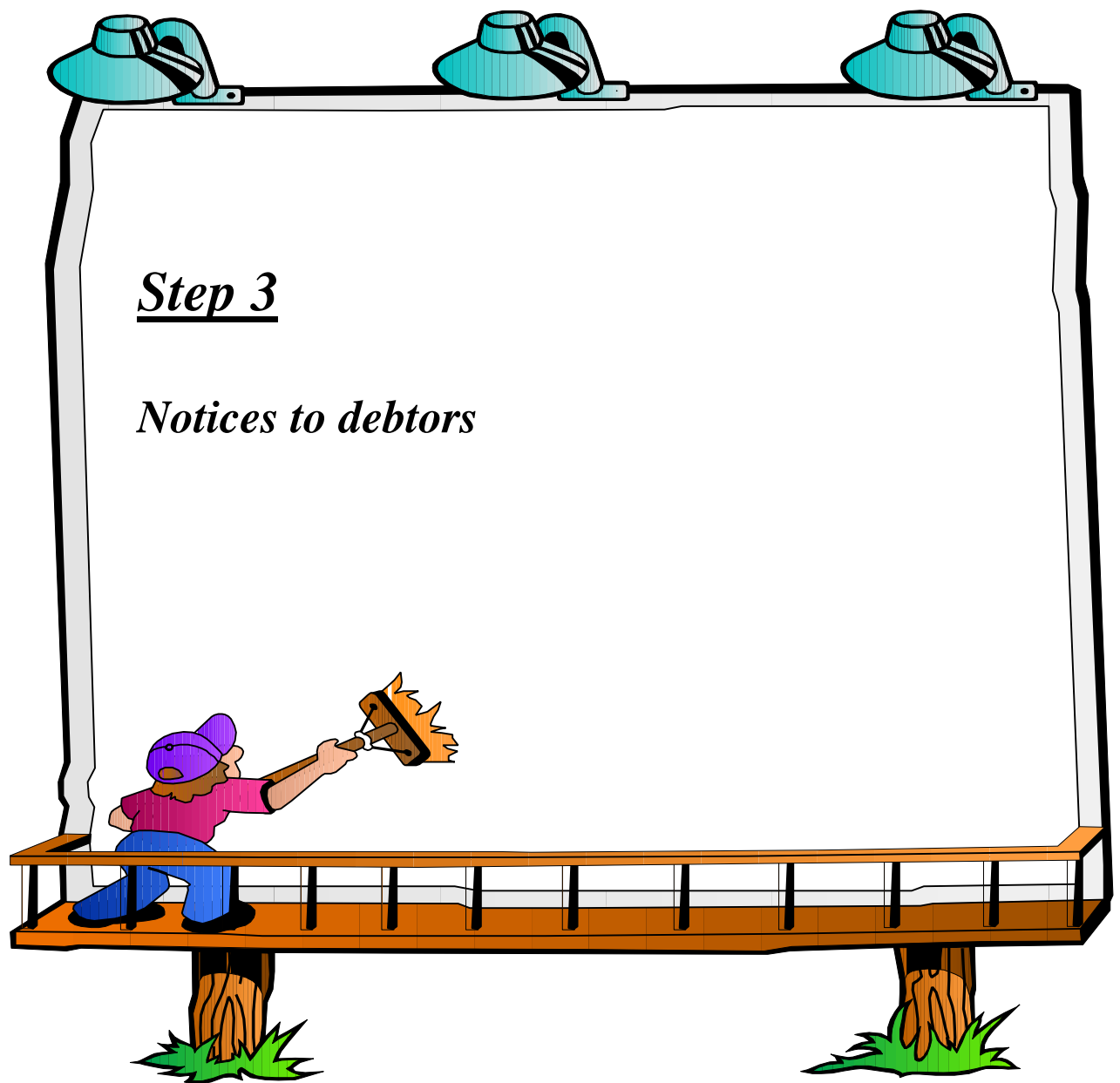
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FLOWCHART FOR DMS DEBT COLLECTION PROCESS

MAY 26, 1998





Notices to Debtors

As explained in the previous section, DMS sends one demand letter to debtors, within 5 days of debt receipt. DMS relies on the referring agencies to provide all due process notices to debtors and to certify to this effect at the time debts are referred for collection (see step 6). In addition, DMS relies on the agencies to ensure that they have covered the possibility that they will refer debts to Treasury, whether for offset or collection, in their system of records notices. Each agency should work with its Privacy Act or disclosure offices to ensure that the system of records notices are current.

Prior to referring debts to Treasury, an agency **must** inform the debtor of the amount and nature of the debt (such as overpayment, etc.), and actions which may be taken to enforce recovery of a delinquent debt. *These include:*

- *offset of any payments which the debtor is due, including tax refunds, and salary.*
- *referral of the debt to a private collection agency.*
- *referral of the debt to the Department of Justice or agency counsel for litigation.*
- *reporting of the debt to a credit bureau.*
- *reporting of the debt, if discharged, to IRS as potential taxable income.*

In the future, the agency will also need to inform the debtor that the debt may be subject to administrative wage garnishment, his/her identity may be published or publicly disseminated, and/or the debt may be sold.

The notice must tell the debtor that he/she has the:

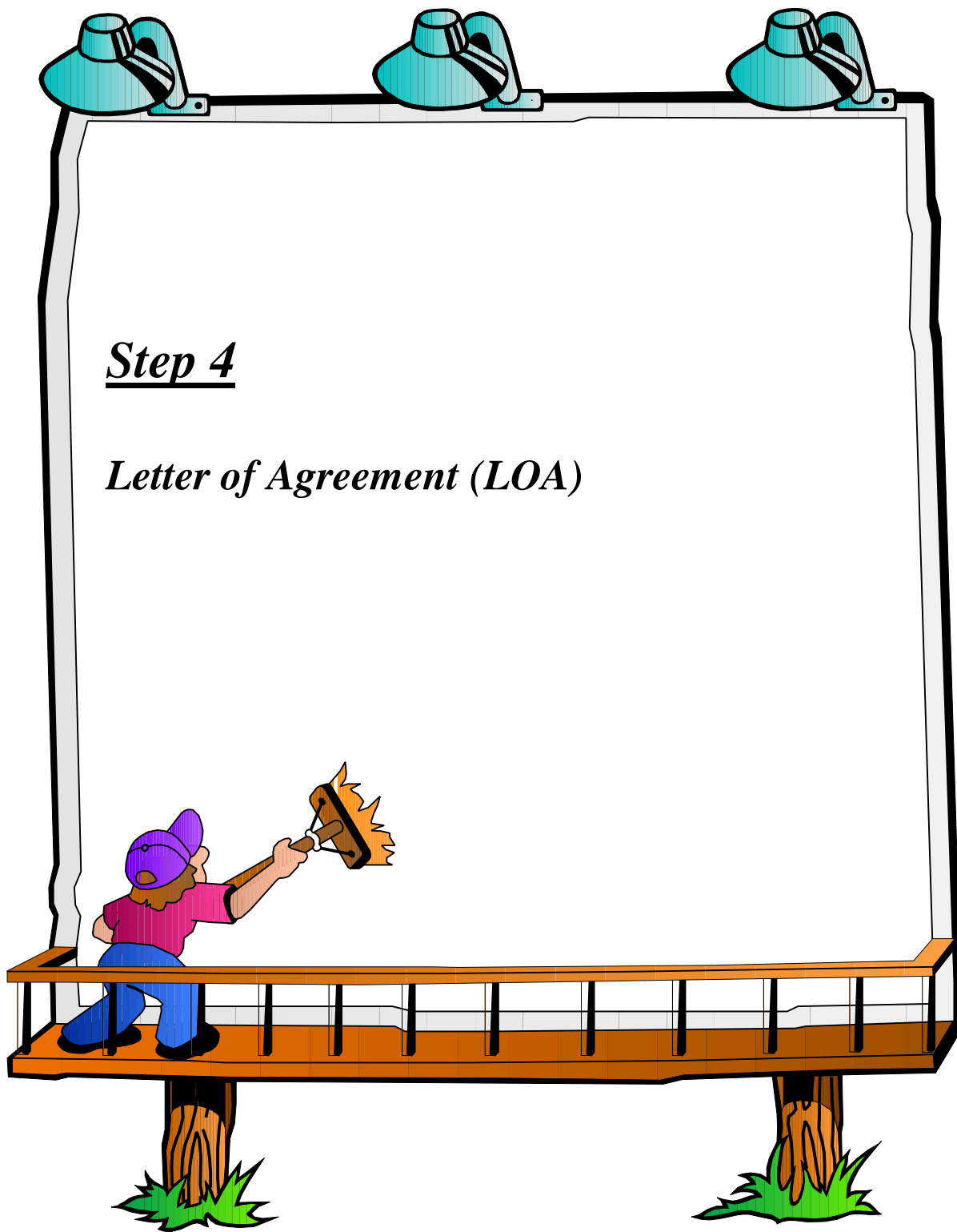
- opportunity to inspect and copy records relating to the debt;
- opportunity for a review within the agency; and
- opportunity to enter into a written repayment agreement.

An agency is not required to restate these rights, if already provided to the debtor, prior to sending an account for cross-servicing. However, the agency may find it effective to send a final notice to the debtor telling of the agency's intent to refer the debt to Treasury for collection unless repaid within a given period of time after the notice is sent.

The agency will send such notice to the last known address. There is no requirement that the notice be sent certified mail, unless such requirement exists in the agency's own statutes or regulations. If the notice is returned due to a bad address, the agency needs to file the notice, envelope and letter, as proof that the agency attempted notice. The agency can still certify (see step 6) that it has provided notice.

If DMS determines that additional notice is needed once a debt is referred, then it will provide such notice.

DMS Staff will work with you to ensure that you have provided your due process notices and will be happy to review any system of records notices for adequacy.



The Letter of Agreement

The Letter of Agreement (LOA)

- Is a standard agreement for all agencies. Differences which FMS and the agency agree to will be detailed in an addendum to the main document. Each agency needs to review the standard agreement and contact the DMS agency liaison to discuss changes to be incorporated into the addendum and to provide agency names and points of contact for the LOA.
- Details the terms and conditions of the cross-servicing arrangement agreed to by your agency and DMS.
- Contains 3 attachments for your information:
 1. The Agency Profile Form
 2. The agency certification
 3. The electronic transmission format

A detailed discussion of each of these attachments is contained in this guide (steps 5, 6, and 7 respectively).

- Is sent to and signed by an official with the authority to bind the organization at the department, agency, or office level as determined by your organization. Each department or agency must determine at what level the LOA will be signed.
- Is returned by the signatory agency to the DMS agency liaison. The agency may include the Agency Profile Form (Attachment A) with the signed LOA or may wait to complete with Debt Certification (Attachment B), until such time a referral is made.

[Date]

Dear [Agency Contact Name]:

This letter is in regard to the Financial Management Service (FMS) providing debt collection services on behalf of the [Agency Name]. These services will be provided in accordance with 31 U.S.C. § 3701 *et seq.*, as amended by the Debt Collection Improvement Act of 1996, to collect delinquent [Agency Name] debt.

The [Agency Name]:

- authorizes FMS to take all appropriate action to enforce collection of accounts referred to FMS, in accordance with applicable statutory and regulatory requirements, and agrees to advise FMS with respect to any statutory and regulatory provisions that uniquely affect [Agency Name]'s debt collection activities.
- will stop its own efforts to collect on accounts referred to FMS for debt collection services.
- will complete the Agency Profile form attached to this letter as **Attachment A** for [Agency Name] and for each distinct [Agency Name] program with specific debt collection requirements.
- will provide FMS with accurate, appropriate data, in a mutually agreeable medium, to facilitate performance of the debt collection operations, including any updates and corrections to the data, as necessary.
- will provide written certification to FMS (in the form attached to this letter as **Attachment B**) with respect to each debt or group of debts referred to FMS for debt collection services. FMS may suspend debt collection activity if FMS determines that [Agency Name]'s certification is incomplete, inaccurate or unreliable.
- will agree with FMS to a collection strategy for [Agency Name] (and as necessary for each referring [Agency Name] program) detailing the limitations and parameters required for the compromise, settlement or termination of collection action related to [Agency Name] debt. [Agency Name] will reply within five (5) business days to any FMS requests for information, requests for approval of debtors' compromise offers or installment payment plans and, failing a reply, [Agency Name] authorizes FMS to respond, on [Agency Name]'s behalf, to debtors' compromise offers or requests for installment payment agreements in a manner deemed appropriate and fair by FMS.

- will comply with the requirements of the *Privacy Act of 1974* (5 U.S.C. § 552a), as amended (Privacy Act), as applicable to individual debtors, including the publication of any required Privacy Act notices.
 - will publish administrative offset regulations (if not already published).
 - will pay services fees and charges to FMS as follows:
 - ◆ Fees and charges must be based on the actual costs incurred by FMS and may need to be periodically adjusted. Fees and charges will be retained by FMS from amounts collected on behalf of [Agency Name].
 - ◆ Except as set forth below, with respect to accounts referred to FMS for collection (including all post-judgment matters), [Agency Name] will pay to FMS a fee in an amount equal to 18% of funds collected.
 - ◆ The fee that [Agency Name] will pay to FMS shall be reduced to an amount equal to 3% of funds collected under one of the following circumstances:
 - ☐ When the funds are collected by a private sector collection agency;
 - ☐ When the funds are collected by Department of Justice (DOJ) after FMS has referred the account to DOJ, except with respect to accounts referred to DOJ for post-judgment enforcement.
or
 - ☐ When an offset from the Treasury Offset Program (TOP) occurs.
 - ◆ In addition to debt collection service fees due to FMS (and regardless of the amount of the service charge), if applicable, [Agency Name] will pay all contingency fees and other charges due to private sector collection agencies, DOJ, Internal Revenue Service for tax refund offset, FMS for Treasury Offset Program (TOP) fees, or any other Federal agency for services rendered relating to debt collection.
 - ◆ FMS is entitled to its service fee for all collections received, either by FMS or the [Agency Name], after FMS initiates collection action, including the issuance of demand letters or other attempts to contact the debtor.
-

The Financial Management Service/Debt Management Services (FMS):

- will be solely responsible for the maintenance of the delinquent debtor records in its possession and for ensuring that accounts are updated as necessary during the time period that FMS holds the account information.
 - may take any of the following collection actions on [Agency Name]'s behalf:
 - ✓ send demand letters on U.S. Treasury letterhead and telephone debtors;
 - ✓ refer accounts to credit bureaus;
 - ✓ skiptracing;
 - ✓ purchase credit reports to assist in the collection effort;
 - ✓ refer accounts for offset, including tax refund, Federal employee salary, and general administrative (TOP);
 - ✓ refer accounts to private collection agencies;
 - ✓ refer accounts to DOJ for litigation;
 - ✓ report written off/discharged debts to IRS on the appropriate Form 1099;
 - ✓ any additional steps necessary to enforce recovery; and
 - ✓ terminate collection action, as appropriate.
 - will handle debtor inquiries on amounts due during the time period that FMS holds the account information. In the event that a referred debtor disputes the validity of the debt or any terms and conditions related to any debt not reduced to judgment, FMS may return the disputed debt to [Agency Name] for its determination of debt validity.
 - will provide [Agency Name] with status reports on all collection activities. These reports will be sufficiently detailed for [Agency Name] to update its files and reconcile its accounts.
 - will provide [Agency Name] with a complete accounting of all service charges and fees, as requested by [Agency Name] and refund to [Agency Name] any fees erroneously paid to FMS. However, FMS may elect not to refund amounts less than \$10.
 - understands that [Agency Name]'s Inspector General continues to serve as the oversight authority over [Agency Name]'s activities and agrees to promptly respond to all requests for information from the [Agency Name] Inspector General.
 - will provide [Agency Name] with any information necessary (and in its possession) for [Agency Name] to respond to Congressional inquiries resulting from FMS's collection efforts.
 - will return account information for delinquent debts whose return is requested by [Agency Name] or which are closed out by FMS.
-

- will credit payments (less service fees and charges) to the appropriate ALC via OPAC.

Any disputes resulting from the debt collection services provided by FMS to [Agency Name] will be referred to **Nancy C. Fleetwood, Assistant Commissioner, Debt Management Services/FMS**, and **[Agency Contact Name]**, **[Agency Contact Title]**, **[Agency Name]**, or their respective designees, for resolution. To the extent statutory or regulatory provisions conflict with the terms of this letter, the requirements of the statutes and regulations will prevail.

Please acknowledge [Agency Name]'s agreement to the terms of this letter, by signing below.

Sincerely,

Nancy C. Fleetwood
Assistant Commissioner
Debt Management Services

Enclosures

I have read and understand the terms and conditions contained herein and agree, on behalf of [Agency Name], to be bound by them.

[Name and Title of Binding Official]
[Agency Name]

Date

AGENCY PROFILE FORM

Agency Information

Name: _____
Address Line 1: _____
Address Line 2: _____
City, State: _____
Zip Code (5 digit + 4, if known): _____
TIN: _____

Bureau Information

Name: _____
Address Line 1: _____
Address Line 2: _____
City, State: _____
Zip Code (5 digit + 4, if known): _____

Bureau Office Information

Name: _____
Address Line 1: _____
Address Line 2: _____
City, State: _____
Zip Code (5 digit + 4, if known): _____

Contact Information

Name: _____
Phone No.: _____
FAX No.: _____
Email Address: _____

Alternate Contact Information

OPAC Contact Name

Name: _____
Phone: _____
FAX No.: _____
Email Address: _____

For FMS Use Only: Office Code _____

Program Information

Program Name (s): _____

Agency Location Code (ALC) #: _____

Authorizing Statute: _____

Program Classification (Circle One)

Business

Child Support

Education

Foreign

Housing

Income Tax

State/Local

Other

Maximum Compromise Amount: _____* Maximum Compromise Percent: _____*

**Provide the maximum amount agency will allow Treasury to forgive without concurrence*

Regulatory Authority for Compromises Greater than \$100,000.00* Yes _____ No _____

**Does agency need DOJ approval for compromises greater than \$100,000.00?*

Minimum Monthly Repayment Amount (Installments): _____

Maximum Number of Months for Repayment: _____

Eligible for the Following Collection Actions (✓ next to whichever applies)

Referral to Private Collection Agency (PCA) Yes _____ No _____

Referral to Treasury Offset Program (TOP) Yes _____ No _____

Referral to Tax Refund Offset Program (TROP) Yes _____ No _____

Salary Offset Yes _____ No _____

Administrative Wage Garnishment* Yes _____ No _____

** If yes, agency needs to attach copy of hearing procedures.*

Credit Bureau Reporting * Yes _____ No _____

** If checked yes, provide name your agency used for Credit Bureau reporting.*

Agency Name: _____

Filing of 1099-C

Compromised amounts over \$600 Yes _____ No _____

Discharged debt over \$600 Yes _____ No _____

Fees (✓ next to whichever applies)

Add DMS fees to debt Yes _____ No _____

Add Private Collection Agency (PCA) fees Yes _____ No _____

Accruals (✓ next to whichever applies)

Continue to accrue financing interest* Yes _____ No _____

Continue to accrue late interest* Yes _____ No _____

Continue to accrue administrative costs Yes _____ No _____

Continue to accrue penalty Yes _____ No _____

**An agency cannot charge both financing interest and late interest. Financing interest is interest assessed for loans.*

ALL FIELDS ON THIS FORM ARE MANDATORY UNLESS OTHERWISE STATED.

Please note: An agency may duplicate this form as necessary to cover different requirements for different programs.

For FMS Use Only: Program Code: _____

CERTIFICATION - DEBT COLLECTION

With respect to the debts attached or transmitted with this certification, I certify the following:

1. ***Valid Debts.*** The debts are delinquent, valid and legally enforceable in the amounts stated.
 2. ***No Bar to Collection.*** The debts are not subject to any circumstances that legally preclude or bar collection, including collection by offset. There are no foreclosures pending with respect to any collateral securing a debt. The Agency's records do not show that any debtor owing a debt has filed for bankruptcy protection. Alternatively, the Agency can clearly establish that any automatic stay has been lifted or is no longer in effect.
 3. ***Administrative Offset and Tax Refund Offset.***
 - A. The Agency has complied with all of the provisions of 31 U.S.C. § 3716, 31 U.S.C. § 3720A, 31 C.F.R. § 285.2 (62 FR 34175, June 25, 1997), and the Federal Claims Collection Standards, as may be amended, as well as other statutes, regulations and policies applicable to collection by administrative offset and tax refund offset.
 - B. At least 60 days prior to the date of this certification, the Agency has provided, or made a reasonable attempt to provide in accordance with applicable offset regulations, each debtor with:
 - written notification, at the debtor's most current known address, of the nature and the amount of the debt, the intention of the Agency to collect the debt through administrative offset and tax refund offset, and an explanation of the rights of the debtor;
 - an opportunity to inspect and copy the records of the Agency with respect to the debt;
 - an opportunity for review within the Agency of the determination of the Agency with respect to the debt, including the opportunity to present evidence that all or part of the debt is not past-due or legally enforceable; and
 - an opportunity to enter into a written repayment agreement with the Agency.
 - C. The Agency has considered any evidence presented by the debtor and determined that the amount of the debt is past-due and legally enforceable and there are no pending appeals of such determination.
 - D. The Agency has, at minimum, made the following reasonable efforts to obtain payment of the debt: demanded payment and provided the debtor with the notice and opportunities described in paragraph 3.B.
-

4. ***Due Process Compliance for Salary Offset.***

- A. [Creditor Agency] has complied with all of the provisions of 5 U.S.C. § 5514 and 5 C.F.R. §§ 550.1101-1110, as may be amended, as well as other statutes, regulations and policies applicable to collection by salary offset.
- B. [Creditor Agency] has provided, or made a reasonable attempt to provide, each debtor with the notice, opportunities, and considerations described in paragraphs 3.B. and 3.C. and the additional notices and opportunities, including the opportunity for waiver consideration, required for salary offset.

5. ***Consumer Reporting Agencies.*** The Agency has complied with all of the provisions of 31 U.S.C. § 3711(e) and 4 C.F.R. Part 102, as well as other statutes, regulations and policies applicable to the Agency's reporting of delinquent debts to consumer reporting agencies. The Agency has:

- determined that the debts are valid and overdue;
- notified the debtor, more than 60 days prior to the date of this certification: (a) that the debt is overdue, (b) that the Agency intends to disclose to a consumer reporting agency that the debtor is responsible for the debt, (c) of the specific information to be disclosed to the consumer reporting agency, and (d) of the debtor's rights to an explanation of the claim, to dispute the information in the Agency's records about the claim, and to administrative repeal or review of the claim; and
- upon the request of a debtor, provided for a review of any debtor's claim, including an opportunity for reconsideration of the initial decision on the claim.

In addition, no debtor has repaid or agreed to repay the claim under a signed repayment agreement or filed for review of the claim.

6. ***Interest and Penalties.*** The Agency has complied with all of the provisions of 31 U.S.C. § 3717 and 4 C.F.R. Part 102, as well as other statutes, regulations and policies applicable to Agency's assessment of interest, penalties and administrative costs. The Agency has mailed or hand-delivered a written notice to all debtors explaining the Agency's requirements concerning the charges.

CERTIFICATION: Pursuant to 28 U.S.C. § 1746, I certify under penalty of perjury that to the best of my knowledge and belief, and/or based upon Agency certification, that the foregoing is true and correct. I certify that I have been delegated authority to execute this certification on behalf of the head of my agency.

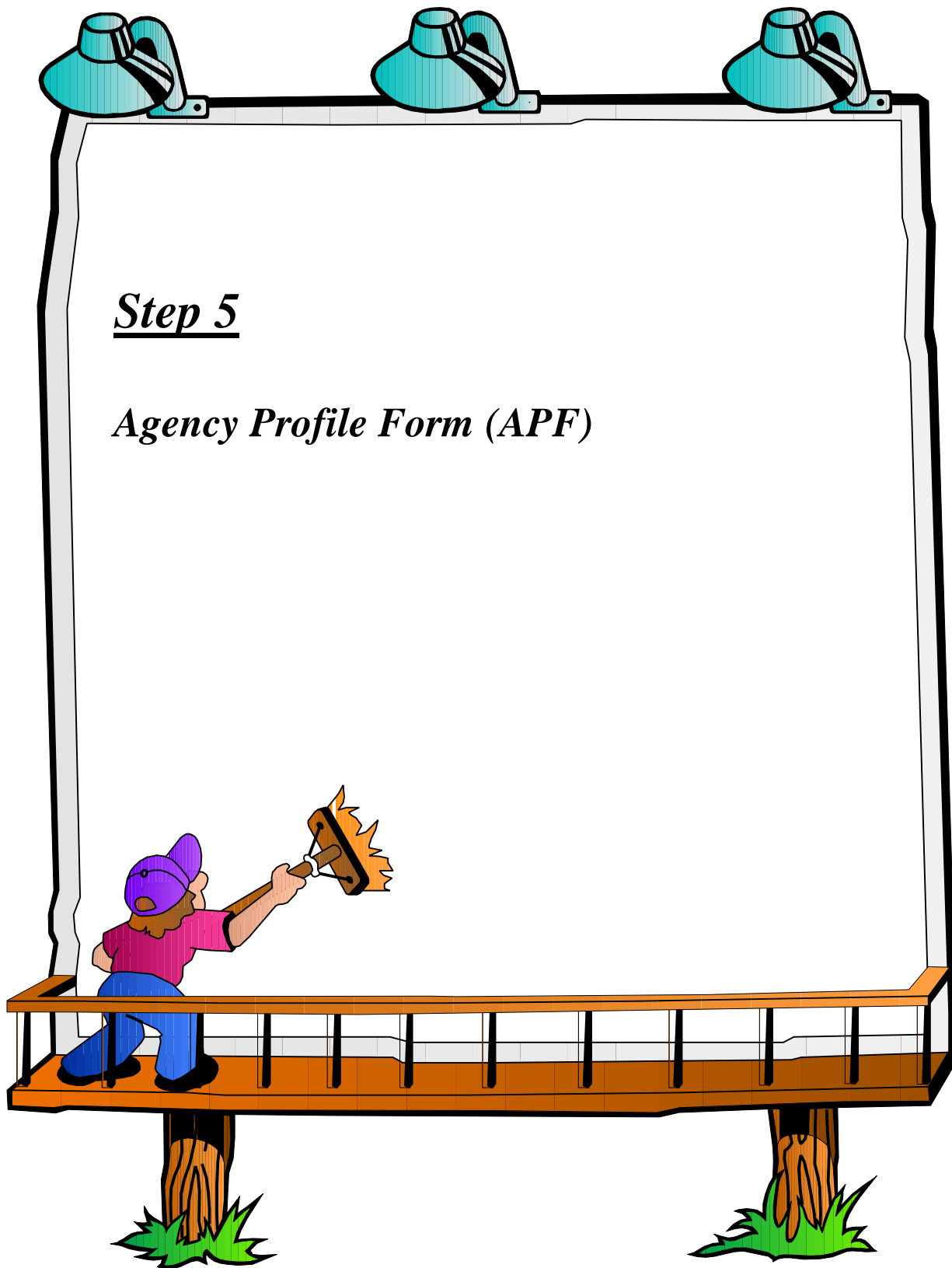
Date

Signature of Certifying Official

Print Name: _____

Title: _____

Agency: _____



The Agency Profile Form

The Agency Profile Form (APF): In General

- Is required for each program referring debts to DMS for cross-servicing.
- Must be completed prior to the referral of any debt so that the system will recognize an agency's/program's debts as acceptable for referral.

The Form: Section-by-Section Instructions

Agency Information

In this section, provide the name and address of the agency that is doing the referral or whose bureau is doing the referral. This would be the name/address of a cabinet level department, such as the Department of Agriculture, or of the independent agency, if not associated with a cabinet department. The Taxpayer Identification Number (TIN)/ Employer Identification Number (EIN) is required for 1099c issuance.

Bureau/Bureau Office Information

- Bureau Name** This would be the name of the sub-agency or bureau that is doing the referral. If there is no sub-agency, repeat the name provided above. ***Please note: this is the name that will be used on the demand letters to the debtors.***
- Bureau Office Name** This is the name of the specific office, within the sub-agency or bureau, doing the referral.
- Address** Provide the address of the referring organization, office, bureau or sub-agency. ***Please note: this is the address to which all reports will be sent.***
- Primary Contact** Provide the name, email address, phone, and fax number of the key point of contact within the referring organization. This will be the primary person with whom the appropriate DMS staff will make contact to resolve disputes, obtain information and provide reports.
- Alternate Contact** Provide the name, email address, phone and fax number of an alternate contact person within the referring organization. This individual should be authorized to act on behalf of the primary contact, in his/her absence.

The Agency Profile Form

OPAC Contact Provide the name email address, phone, and fax number of the individual who will be receiving the OPAC transmission and supporting reports. *Please note: this person is responsible for providing the OPAC supporting documentation on individual accounts to the primary contact or to the organization's accounting area.*

Program Information

Program Name Provide the official name of the program under which the debts arose. For example, "Salaries and Expenses, General Administration" or "Construction". *Please be sure that the name used here is the same as that used on the data entry forms.*

ALC ALC stands for agency locator code. Provide the 8-digit number that represents the area within the agency to which collections should be credited.

Authorizing Statute

Provide the statutory cite for the program under which the debts arose. This information will be used for the completion of the Claims Collection Litigation Report, should the agency and DMS determine that litigation is necessary.

Program Classification

Indicate the type of debt being referred under the above listed program. For example, a single family housing loan would be classified as "Housing"; a small business investment loan would be classified as "Business", etc.

The next four items allow the agency to specify the limits on the authority it is delegating to DMS for compromises and repayments.

Compromises For Max. \$ Amt., provide the maximum amount that the agency is willing to let DMS "forgive." For example, if, regardless of the amount of the debt, the agency decides it never wants DMS to "forgive" more than \$500,000, then this would be the amount provided on this line.

For Max. Percent., provide the maximum percent that the agency is willing to let DMS "forgive." For example, if a debt is \$100,000 and the agency is willing to let DMS accept \$90,000 without additional agency authorization, then the maximum compromise percent is 10%.

The Agency Profile Form

The maximum compromise percent and amount may be used together to establish two thresholds. For example, a maximum compromise amount of \$10,000 and percentage of 10% would mean that on a \$120,000, DMS could not compromise more than \$10,000. However, if the compromise amount was \$15,000, then DMS could compromise 10% or \$12,000.

Installment Agreements

For Min. \$ Amt., provide the minimum amount the agency will accept in an installment payment.

For Max. No. of Months, provide the maximum number of months that the agency will accept for a installment repayment agreement. Generally, this should be 36 months or less.

Eligibility for Various Collection Actions

Ensures compliance with the agency's collection plan. By indicating "No" for a given collection action our system will not allow this action to be taken. By indicating "Yes" for a given collection action, the system assumes all debts referred are eligible for that collection action.

If yes is selected for the filing of 1099c, the referring agency will still be able to decide if this collection action is appropriate on a case by case basis via the DMS Action Form.

If no is selected for the filing of 1099c, the system will block this function, and the referring agency will not have the option of deciding on a case by case basis.

Fees

Allows the agency to indicate whether the DMS, and PCA fee should be added to the debt. The selection of "No" for the DMS fee does not affect whether DMS will charge its fee on collections; it does affect, however, whether or not that fee is passed along to the debtor.

Accruals

Allows the agency to direct DMS on whether it wants to continue to accrue late fees on the referred debts. For each of these items, e.g., Financing Interest, Late Interest (e.g., under the Debt Collection Act of 1982), Administrative Costs (this represents the agency's own administrative costs), Penalty (presumed to be 6% annually as set by the Debt Collection Act of 1982), the agency should select "Yes" or "No". As the form notes, an agency cannot charge both financing and late interest, so one or the other of these interest lines should be marked "No".

AGENCY PROFILE FORM

Agency Information

Name: _____
Address Line 1: _____
Address Line 2: _____
City, State: _____
Zip Code (5 digit + 4, if known): _____
TIN*: _____

**Optional, unless 1099c requested.*

Bureau Information

Name: _____
Address Line 1: _____
Address Line 2: _____
City, State: _____
Zip Code (5 digit + 4, if known): _____

Bureau Office Information

Name: _____
Address Line 1: _____
Address Line 2: _____
City, State: _____
Zip Code (5 digit + 4, if known): _____

Contact Information

Name: _____
Phone No.: _____
FAX No.: _____
Email Address: _____

Alternate Contact Information

OPAC Contact Name

Name: _____
Phone: _____
FAX No.: _____
Email Address: _____

For FMS Use Only: Office Code _____

Program Information

Program Name (s): _____

Agency Location Code (ALC) #: _____

Authorizing Statute: _____

Program Classification (Circle One)

Business

Child Support

Education

Foreign

Housing

Income Tax

State/Local

Other

Maximum Compromise Amount: _____* Maximum Compromise Percent: _____*

**Provide the maximum amount agency will allow Treasury to forgive without concurrence.*

Regulatory Authority for Compromises Greater than \$100,000.00* Yes _____ No _____

**Does agency need DOJ approval for compromises greater than \$100,000.00?*

Minimum Monthly Repayment Amount (Installments): _____

Maximum Number of Months for Repayment: _____

Eligible for the Following Collection Actions (✓ next to whichever applies)

Referral to Private Collection Agency (PCA) Yes _____ No _____

Referral to Treasury Offset Program (TOP) Yes _____ No _____

Referral to Tax Refund Offset Program (TROP) Yes _____ No _____

Salary Offset Yes _____ No _____

Administrative Wage Garnishment* Yes _____ No _____

** If yes, agency needs to attach copy of hearing procedures.*

Credit Bureau Reporting * Yes _____ No _____

** If checked yes, provide name your agency used for Credit Bureau reporting.*

Agency Name: _____

Filing of 1099-C

Compromised amounts over \$600 Yes _____ No _____

Discharged debt over \$600 Yes _____ No _____

Fees (✓ next to whichever applies)

Add DMS fees to debt Yes _____ No _____

Add Private Collection Agency (PCA) fees Yes _____ No _____

Accruals (✓ next to whichever applies)

Continue to accrue financing interest* Yes _____ No _____

Continue to accrue late interest* Yes _____ No _____

Continue to accrue administrative costs Yes _____ No _____

Continue to accrue penalty Yes _____ No _____

**An agency cannot charge both financing interest and late interest. Financing interest is interest assessed for loans.*

ALL FIELDS ON THIS FORM ARE MANDATORY UNLESS OTHERWISE STATED.

Please note: An agency may duplicate this form as necessary to cover different requirements for different programs.

For FMS Use Only: Program Code: _____



Certification

DMS is requiring agencies to certify the following for each batch of debts referred:

- that the debts are delinquent, valid, and legally enforceable;
- that the debts are not subject to any bars against collection, such as a debtor in bankruptcy or the debt is in foreclosure;
- that the agency has complied with all due process notice requirements for administrative offset, salary offset, and credit reporting; and
- that the agency has provided notice regarding assessment of interest, penalties, and administrative costs.

DMS is requiring this certification for three primary reasons:

1. to ensure that the agency is referring debts that are subject to enforced recovery mechanisms;
2. to ensure that the agency has provided all due process rights, so that DMS can proceed with collection in an aggressive and time-conscious manner. As detailed in Step 2, DMS moves accounts through the collection process very quickly, based on Treasury action standards.
3. to allow Treasury to waive certain provisions of the Computer Matching Act to facilitate operation of the offset program.

DMS has developed a standard certification form that follows in this section. Debts that are not accompanied by an acceptable certification form will be rejected.

CERTIFICATION - DEBT COLLECTION

With respect to the debts attached or transmitted with this certification, I certify the following:

1. ***Valid Debts.*** The debts are delinquent, valid and legally enforceable in the amounts stated.
 2. ***No Bar to Collection.*** The debts are not subject to any circumstances that legally preclude or bar collection, including collection by offset. There are no foreclosures pending with respect to any collateral securing a debt. The Agency's records do not show that any debtor owing a debt has filed for bankruptcy protection. Alternatively, the Agency can clearly establish that any automatic stay has been lifted or is no longer in effect.
 3. ***Administrative Offset and Tax Refund Offset.***
 - A. The Agency has complied with all of the provisions of 31 U.S.C. § 3716, 31 U.S.C. § 3720A, 31 C.F.R. § 285.2 (62 FR 34175, June 25, 1997), and the Federal Claims Collection Standards, as may be amended, as well as other statutes, regulations and policies applicable to collection by administrative offset and tax refund offset.
 - B. At least 60 days prior to the date of this certification, the Agency has provided, or made a reasonable attempt to provide in accordance with applicable offset regulations, each debtor with:
 - written notification, at the debtor's most current known address, of the nature and the amount of the debt, the intention of the Agency to collect the debt through administrative offset and tax refund offset, and an explanation of the rights of the debtor;
 - an opportunity to inspect and copy the records of the Agency with respect to the debt;
 - an opportunity for review within the Agency of the determination of the Agency with respect to the debt, including the opportunity to present evidence that all or part of the debt is not past-due or legally enforceable; and
 - an opportunity to enter into a written repayment agreement with the Agency.
 - C. The Agency has considered any evidence presented by the debtor and determined that the amount of the debt is past-due and legally enforceable and there are no pending appeals of such determination.
 - D. The Agency has, at minimum, made the following reasonable efforts to obtain payment of the debt: demanded payment and provided the debtor with the notice and opportunities described in paragraph 3.B.
-

4. ***Due Process Compliance for Salary Offset.***

- A. [Creditor Agency] has complied with all of the provisions of 5 U.S.C. § 5514 and 5 C.F.R. §§ 550.1101-1110, as may be amended, as well as other statutes, regulations and policies applicable to collection by salary offset.
- B. [Creditor Agency] has provided, or made a reasonable attempt to provide, each debtor with the notice, opportunities, and considerations described in paragraphs 3.B. and 3.C. and the additional notices and opportunities, including the opportunity for waiver consideration, required for salary offset.

5. ***Consumer Reporting Agencies.*** The Agency has complied with all of the provisions of 31 U.S.C. § 3711(e) and 4 C.F.R. Part 102, as well as other statutes, regulations and policies applicable to the Agency's reporting of delinquent debts to consumer reporting agencies. The Agency has:

- determined that the debts are valid and overdue;
- notified the debtor, more than 60 days prior to the date of this certification: (a) that the debt is overdue, (b) that the Agency intends to disclose to a consumer reporting agency that the debtor is responsible for the debt, (c) of the specific information to be disclosed to the consumer reporting agency, and (d) of the debtor's rights to an explanation of the claim, to dispute the information in the Agency's records about the claim, and to administrative repeal or review of the claim; and
- upon the request of a debtor, provided for a review of any debtor's claim, including an opportunity for reconsideration of the initial decision on the claim.

In addition, no debtor has repaid or agreed to repay the claim under a signed repayment agreement or filed for review of the claim.

6. ***Interest and Penalties.*** The Agency has complied with all of the provisions of 31 U.S.C. § 3717 and 4 C.F.R. Part 102, as well as other statutes, regulations and policies applicable to Agency's assessment of interest, penalties and administrative costs. The Agency has mailed or hand-delivered a written notice to all debtors explaining the Agency's requirements concerning the charges.

CERTIFICATION: Pursuant to 28 U.S.C. § 1746, I certify under penalty of perjury that to the best of my knowledge and belief, and/or based upon Agency certification, that the foregoing is true and correct. I certify that I have been delegated authority to execute this certification on behalf of the head of my agency.

Date

Signature of Certifying Official

Print Name: _____

Title: _____

Agency: _____